

DRAFT**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division
Public Programs Branch****RESOLUTION T-16874
October 28, 2004****RESOLUTION**

RESOLUTION T-16874. AT&T's Advice Letters 2913 and 2919. Requests: Carrier of Last Resort status in Verizon California's service territory, authority to obtain subsidy reimbursements from the California High Cost Fund-B in Verizon California's service territory for Unbundled Network Elements-Platform based local exchange services, and exemption from Primary Line Certification requirements of Resolution T-16018 in both Verizon California's and SBC's service territories.

Summary

AT&T Communications of California, Inc., (AT&T) by Advice Letter (AL) 2913 requests that: (1) it be designated as a Carrier of Last Resort (COLR) in Verizon California's (Verizon's) service territory pursuant to Decision (D.) 96-10-066 and that, (2) it be authorized to obtain subsidy reimbursements from the California High Cost Fund (CHCF) -B in Verizon's service territory. By AL 2919, AT&T requests an exemption from the Customer Primary Line (CPL) Certification requirements of Resolution T-16018 for customers who subscribed to AT&T's local exchange service prior to June 14, 2004 in both SBC's and Verizon's service territories.

This resolution:

- Grants COLR status to AT&T in Verizon's service territory.
- Grants AT&T authority to obtain CHCF-B subsidy reimbursements in Verizon's service territory based on Unbundled Network Elements-Platform (UNE-P).
- Denies AT&T's request for an exemption from the CPL certification requirements of Resolution T-16018.
- Recommends disallowances on CHCF-B claims filed by AT&T for non-compliance with the requirements of Resolution T-16018.
- Requires Telecommunications Division (TD) to inform AT&T of the status of its CHCF-B end-user surcharge remittances to the Commission.
- Requires TD to establish and maintain a database to identify and track potential duplicate CHCF-B claims in overlapping utility service territories.
- Requires TD to ensure that no payments are made for duplicative CHCF-B claims.

Background

AT&T filed AL 2913 on April 13, 2004 requesting that: (1) it be designated as a COLR in Verizon's service territory pursuant to D. 96-10-066 and that, (2) it be authorized to obtain subsidy reimbursements from the CHCF-B for providing UNE-P based local exchange service in Verizon's service territory. AT&T filed AL 2919 on April 22, 2004 requesting an exemption from the CPL certification requirements adopted in Resolution T-16018, which require all carriers that serve as a COLR to obtain certification from customers for their primary lines in order to receive subsidy from the CHCF-B. AT&T is seeking the exemption for all of its non-Universal Lifeline Telephone Service (ULTS) customers who signed up with AT&T for local service prior to June 14, 2004 in both SBC's and Verizon's service territories.

1. Decision 96-10-066

A. COLR requirements

In D. 96-10-066,¹ the Commission established the CHCF-B to subsidize costs incurred by COLRs for providing affordable basic exchange service to residential customers located in designated high-cost areas. The Commission also established the following criteria, which a utility must meet, in order to become a COLR: "Those carriers seeking to be designated a COLR shall file an advice letter in compliance with GO 96-A, stating that the carrier intends to be designated a COLR. The advice letter shall become effective in 40 days from the date of filing, unless a protest to the advice letter is filed. The advice letter shall contain a statement of the following, which the Commission will consider in deciding whether COLR status should be granted:

- a. the facilities the carrier has in place or the arrangement that the carrier plans to enter into in order to provide basic service;
- b. the ability of the carrier to promote the goals of universal service to all customer segments throughout the COLR's service area."²

B. CHCF-B Claim requirements

¹ Rulemaking on the Commission's Own Motion into Universal Service and to Comply with the Mandates of Assembly Bill 3643 (Stats. 1994, Chapter 278).

² D. 96-10-066, Rule 6.D.4 of Appendix B.

A carrier may seek subsidy from the CHCF-B after it has been designated as a COLR. Decision 96-10-066, Appendix B, Rule 6.C.2 sets forth a subsidy formula for calculating the amount of subsidy that a designated COLR would be entitled to receive from the CHCF-B.

C. CHCF-B Claim filing requirements

Pursuant to D. 96-10-066, Ordering Paragraph (OP) 15b(a), the assigned Administrative Law Judge (ALJ) issued a ruling³ prescribing the monthly reports that COLRs must submit to the Commission in order to receive subsidy reimbursements from the CHCF-B. COLRs are also required to submit supplemental reports, which include supporting information for their CHCF-B claims, to TD. Both sets of reports are required for processing CHCF-B claims.

D. Relinquishing the COLR designation

A COLR must follow the procedures established by the Commission in order to relinquish its COLR designation. D. 96-10-066, Appendix B, Rule 6.D.7 states:

“A designated COLR may opt out of its obligations in a GSA by advice letter, unless it is the only carrier remaining in the GSA, in which case it must file an application to withdraw as the COLR, and continue to act as the COLR until the application is granted or a new COLR has been designated as a result of an auction.”

2. Decision 02-02-047

In D. 02-02-047, ⁴ the Commission adopted a settlement agreement reached between SBC (the former Pacific Bell Telephone Company), AT&T and MCI WorldCom (MCI) on interim rates for loop UNEs for three zones in SBC's service territory. Insofar as subsidy reimbursements are concerned, the Commission held as follows:

“We adopt the Agreement based on the understanding that subsidy calculations will be consistent with applicable provisions in D.96-10-066.”⁵

The settling parties included a calculation of fund withdrawals in the Settlement where CPC prices may diverge from Pacific's single flat residential rate as follows:

³ Administrative Law Judge's Ruling Establishing Reporting Requirements for Carriers of Last Resort, dated April 28, 1998.

⁴ Order Instituting Investigation on the Commission's Own Motion into De-averaging of Unbundled Network Element Rates within at Least Three Geographic Regions of the State of California Pursuant to Federal Communications Commission Rule 47.

⁵ D. 02-02-047, p. 10.

“Where the CLEC’s basic exchange service price is equal to or less than Pacific’s prices plus EUCL [end user line charge], the subsidy payable to the CLEC shall be the amount payable to Pacific for such customer. Where the CLEC’s basic exchange price exceeds Pacific’s price plus EUCL, then the subsidy payable to the CLEC shall be the subsidy amount for the CBG [census block group], less all revenues received by the CLEC for the basic exchange service.”⁶

In response to this proposal, however, the Commission held that “we are not prepared to adopt sweeping changes in Commission policy or practices in this proceeding.”⁷

3. Resolution T-16018

In Resolution T-16018, the Commission established rules for certifying the residential primary lines for the CHCF-B program. The self-certification requirements require carriers to obtain self-certification documents from new customers and keep them for 36 months. The documents are also to be made available, upon request, to the Commission at any time. These certification forms are also required to be filed as part of carriers’ tariffs pursuant to Public Utilities Code Section 489(b) ⁸ and General Order 96-A.

4. AT&T’s Announcement

By a letter dated July 22, 2004, AT&T notified the Commission of its plans to discontinue marketing for new customers in the residential local exchange service market in California. However, AT&T stated that it would continue to service its existing residential customers using UNE – P elements. ⁹

NOTICE/PROTESTS

Notice of AT&T’s AL’s 2913 and 2919 was published on the Commission calendar on April 9 and April 20, 2004, respectively.

⁶ *Id.*

⁷ *Id.*

⁸ PU Code Section 489 (b) states: “The commission shall, by rule or order, require every telephone corporation operating within a service area, on first contact by a prospective subscriber and in subsequent contacts by the subscriber for the purpose of changing service, to fully inform the subscriber of the basic services available to the class of subscribers to which the subscriber belongs. For eligible residential subscribers, these services shall include universal lifeline telephone service. The subscriber shall be presented with information orally, in print form, or in computer data form, according to the means by which contact is established. If after a hearing, the commission finds that any telephone corporation has not provided prospective subscribers with the information required by this section, the commission may make an appropriate adjustment of the telephone corporation’s rates or impose penalties pursuant to other provisions of law.”

⁹ Letter from Kenneth P. McNeely, President, AT&T – California, to Commissioners, dated July 22, 2004.

Pacific Bell Telephone Company (Pacific) d/b/a SBC California (SBC) timely filed a limited protest to AT&T AL's 2913 and 2919 ¹⁰. TD received SBC's protest on April 30, 2004.

Verizon filed a limited protest to AT&T AL's 2913 and 2919. TD received Verizon's protest on May 10, 2004.

TD received AT&T's responses to SBC and Verizon's protests on May 6 and 14, 2004 respectively.

DISCUSSION

Pursuant to D. 95-07-054, AT&T began providing local exchange services to customers as a CLEC or as a reseller in SBC's and Verizon's service territories on a resale basis. In July 1998, AT&T requested the Commission's Executive Director for an indefinite extension of time to implement the CPL certification requirements of Resolution T-16018. One reason given was that AT&T was uncertain if it would recommence the offering of "Consumer Local Exchange Service" in California. ¹¹ On August 24, 1998, the Executive Director granted AT&T's indefinite exemption request from complying with the CPL certification requirements of Resolution T-16018 until AT&T recommenced the offering of "Consumer Local Exchange Service" in California. The Executive Director also instructed AT&T to notify the Director of TD of its market re-entry plans and to fully comply with the operational requirements of Resolution T-16018 ¹² upon re-entering the California residential market. AT&T indicated that it would fully comply with the terms of the CPL certification requirements when it re-entered the residential local exchange market. ¹³

Four years later, AT&T re-entered the California local exchange market. AT&T recommenced the offering of its consumer local exchange services using UNE-P elements in SBC's service territory on August 11, 2002 and in Verizon's service territory on December 9, 2003. AT&T states that it informed the Director of TD of its market re-entry plans in California in a meeting on July 16, 2002 as required in its letter of exemption from the Executive Director.

AT&T also states that on July 28, 2003, it implemented a system upgrade to capture Primary Line Designation (PLD) from new customers who signed up for residential local services. However, it states that the July 28, 2003 system upgrade did not allow AT&T to capture all new customers' PLD. AT&T states that a new system upgrade, scheduled to be

¹⁰ SBC also protested AL 2912, which was filed on April 13, 2004 by AT&T. The carrier requests that it be granted COLR status and authority to file claims from the CHCF-B in SBC's service territory. The AL became effective 40 days after the filing date.

¹¹ Letter from Randolph W. Deutsch to Wesley Franklin, Jr., dated July 29, 1998

¹² Letter from Wesley Franklin to Randolph W. Deutsch dated August 24, 1998

¹³ Letter from Gary Beckman to All parties of R.95-01-020/I.95-01-021, dated September 11, 1998

operational on June 14, 2004, would enable it to obtain PLD for all new residential local customers.

Because AT&T did not capture PLDs for its new customers as required by the Commission's self-certification requirements, AT&T now seeks permission to send a letter to all of its High Cost Fund (HCF) non-ULTS customers informing them that their telephone line with AT&T is their primary line unless they designate otherwise, instead of obtaining certification from these customers. AT&T states that it would be too costly and burdensome for it to now go back and obtain self-certification forms from these customers. AT&T further states that ILECs were granted similar relief, which allowed them to claim CHCF-B subsidies for one non-ULTS line per address without any Customer Self Certification (CSC).

A. AT&T Has Satisfied the COLR Requirements in Verizon's Service Territory.

In their protests to AT&T's AL 2913 and 2919 filings, both SBC and Verizon recommend that the Commission grant COLR status to AT&T, but without the contingency of UNE-P availability. SBC states that COLR rules set forth in D. 96-10-066 do not permit conditional COLR designations. Both utilities are concerned that if AT&T were designated a COLR and if UNE-P availability was subsequently eliminated, AT&T would be unable to continue as a COLR and would have to opt out of its COLR obligations by following the Commission approved procedures using the AL or the application process. Verizon also questions the availability of UNE-P in light of the United States Supreme Court's decision of the Triennial Review Order. Additionally, Verizon questions AT&T's ability to promote universal service in all of its service territory without complying with the customer self certification requirements of Resolution T-16018. Verizon believes that AT&T's AL does not demonstrate that AT&T offers single party local exchange service.

In its response to SBC's and Verizon's protests and Verizon's comments, AT&T states that it promotes universal service by offering local residential service via UNE-P in all of Verizon's service territory. AT&T submitted copies of relevant tariff sheets that demonstrate AT&T's offering of stand alone single party local exchange service. AT&T also states in its reply comments, that UNE-P is available today and whether UNE-P will be available in the future is speculative.

AT&T utilizes UNE-P elements from the ILECs to provide local residential service. AT&T states that if an ILEC withdraws as a COLR in a designated Census Block Group (CBG) or if UNE-P is no longer available, it would be unable to continue providing residential service to its customers and as a consequence, it would be unable to continue as a COLR. AT&T states that if it were the only remaining COLR in a designated CBG and UNE-P was not available, it would file an application to withdraw as a COLR with the Commission and comply with the requirements of D. 96-10-066, Appendix B, Rule D.7. AT&T states that it would continue to provide local exchange services until its application to withdraw is granted by the Commission.

AT&T currently provides UNE-P based local exchange services to its customers throughout Verizon's service area as a CLEC. This arrangement satisfies the criteria for providing basic service and of promoting the goals of universal service. AT&T has satisfied the COLR requirements of D. 96-10-066, Appendix B, Rule 6.D.4. Therefore, TD recommends that AT&T be granted COLR status in Verizon's service territory.

B. AT&T Should be Granted Authority to Obtain Subsidy Reimbursements from the CHCF-B in Verizon's Service Areas Consistent with D. 96-10-066.

The Commission in D. 02-02-047 held that the high cost fund subsidy calculations shall be consistent with the applicable provisions in D. 96-10-066.

TD recommends that AT&T be granted authority to request and obtain subsidy reimbursements from the CHCF-B. AT&T and other CLECs need the CHCF-B subsidy support in order to competitive in Verizon's service areas. Similar to D. 02-02-047, AT&T's subsidy calculations should also be consistent with the applicable provisions in D. 96-10-066.

C. CHCF-B UNE-P claim limitations

Decision 02-02-047 imposes limitations on the amounts that can be claimed from the CHCF-B by CLECs using UNE-P in SBC's service territory. In this Decision, the Commission stated that UNE-P based claims in SBC's territory do not "... change the level of funding necessary to support universal service".¹⁴ Thus, UNE-P based claims may not exceed the total funding in SBC's service territory for a particular claim month for all CLECs who file a claim. The same guiding principle for the level of CHCF-B funding should be applicable to all claims filed in Verizon's service territories under UNE-P.

D. AT&T Has Not Complied With Commission Directives.

In its protest to AL 2919, SBC states that permitting conditions that AT&T seeks to not only circumvent the established process for withdrawing as a COLR but also would open the door to other conditions for requesting a COLR designation. One such condition is seeking exemption from the CPL certification requirements from customers as required by Resolution T-16018.

The CPL certification is required for all new non-ULTS customers who sign up for local residential service with AT&T. The only exceptions are ULTS customers and those customers who signed up for residential local exchange service up until July 28, 1998,¹⁵ the day an exemption was granted to AT&T.

¹⁴ Decision 02-02-047, p. 10.

¹⁵ December 15, 1997 was the cut-off date established by the Commission for other ILECs.

AT&T states that it recommenced offering local exchange service on August 11, 2002 and on December 9, 2003 in SBC's and Verizon's service territories, respectively, without complying with the CPL requirements of Resolution T-16018. TD assumes that no new local exchange service customers were added by AT&T between July 28, 1998 and the date of recommencement of service as a result of AT&T's marketing efforts.

AT&T is not in compliance with the terms of the exemption granted by the Executive Director for all of its non-ULTS customers that it signed up for service because it did not obtain the CPL certifications from these customers as required by Resolution T-16018.

TD recommends that any primary non-ULTS lines claimed for subsidy under CHCF-B be disallowed if AT&T does not have CPL certification. AT&T cannot refile for previously disallowed claims for non-compliance of CPL certification. Once AT&T obtains CPL certifications for its non-ULTS lines, the carrier may request subsidy payments on a going forward basis only.

E. CHCF-B Claims in Overlapping Service Territories

The Commission's Customer Self Certification rules state that only one CPL may be claimed for each customer. A customer information database (database) of all claims in overlapping service territories needs to be established and maintained in order to prevent potential duplicate claim payments to carriers. The CHCF-B claimants do not have access to other companies' customer information due to privacy/confidentiality and competitive reasons. Therefore, TD should be in charge of reviewing and identifying any potential duplicative claims. TD should review all of the information currently provided by the carriers in support of their monthly CHCF-B claims and then develop the database accordingly. If additional information is necessary, TD should request such information from carriers in order to develop the database. TD should develop a process and procedures for the CHCF-B subsidy payments so that the payments are made to only one carrier for the eligible primary lines in designated high cost areas. Claim payments for duplicate claims should be withheld pending a determination by TD as to which carrier should be paid for those lines. No interest on withheld amounts should be due until staff investigation has been completed. TD will take all appropriate actions, thereafter, to pay claims to the eligible carrier.

TD recommends that the Commission require TD to develop a database to identify duplicate CHCF-B claims and develop a process to ensure that the appropriate subsidy payments are made to carriers by the CHCF-B fund.

F. AT&T Should Be current in its CHCF-B Remittance Obligations.

All certificated telecommunications carriers are required to bill and collect the all-end-user surcharges. These surcharges are assessed on consumers' bills for intrastate telecommunications services. The carriers are then required to remit the surcharges as

directed by the Commission. AT&T is a certificated carrier, which provides local exchange telephone service in California. Therefore, AT&T is required to remit its end-user surcharges to the Commission. Similarly, to the extent that AT&T's subsidiaries are certificated carriers that provide intrastate telecommunications services in California, they are also required to collect the end-user surcharges and remit them to the Commission.

TD recommends that AT&T and its subsidiaries be current in their CHCF-B program surcharge remittance obligations before any payments from the CHCF-B fund payments are made to AT&T.

G. Adoption of TD's Recommendations

The Commission adopts all of TD's recommendations as follows: granting AT&T COLR status and permitting AT&T to receive the CHCF-B subsidy under UNE-P in Verizon's service territories; CHCF-B subsidy limitations; disallowances of claims for non-ULTS primary lines without CPL certifications; development of a database to eliminate duplicative subsidy payments; and payments of CHCF-B surcharge remittance before any CHCF-B payments are made.

NOTICE OF AVAILABILITY AND COMMENTS

In the past, the Commission has served a hard copy of resolutions on telecommunications carriers and parties on the service list of R.95-01-020/I.95-01-021. In compliance with PU Code Section 311 (g) and to be consistent with the Commission's commitment to utilize the Internet for distributing Commission orders and information, TD, by a letter, has informed the CHCF-B claimants, the CHCF-B Administrative Committee, ILECs, CLECs, and the parties on the service list of R.95-01-020/I.95-01-021 of the availability of this draft resolution as well as the conformed resolution, when adopted by the Commission on the Commission's website, www.cpuc.ca.gov. This notice of availability letter was mailed on August 24, 2004.

AT&T, SBC and Verizon filed Opening and Reply Comments on the proposed draft resolution and their comments are briefly summarized below:

AT&T Opening and Reply Comments

In its comments, AT&T raises the following issues:

- COLR and CHCF-B Funding Issues:
 - The draft resolution errs in denying AT&T access to CHCF-B funds for services provided in Verizon's territories because AB 3643 (Stats 1994, Chapter 278) and Decisions 95-07-050, 96-10-066 and 02-02-047 support its position.

- The draft resolution directly contradicts applicable state laws and Commission decisions. For example, D.96-10-066 does not support the view that a COLR status carrier be denied access to the CHCF-B fund.
 - UNE-P is available today and future availability of UNE-P is speculative. Therefore, there is no reason to deny AT&T COLR status and access to the CHCF-B fund.
- Exemption of CPL certification requirements Issue:
 - The Commission exempted the Incumbent Local Exchange Carriers 1997 customer base from the Primary Line Certification requirements.
 - AT&T seeks exemption for customers that existed at the time it became a COLR.
- Surcharge Remittance Obligations Issue:
 - Surcharge Remittance payment is a separate dispute.
 - AT&T and its subsidiaries are current in its surcharge remittance obligations.
 - D.96-10-066 does not require that a COLR have to be current in surcharge remittance obligations to file CHCF-B claims.

SBC's Opening and Reply Comments

In its comments, SBC raises the following issues:

- Implementation of the database Issue:
 - TD should conduct a factual inquiry to assess the magnitude of duplicative claims before implementing the database requirements.
 - The implementation of the database is not an issue in AT&T Advice Letters.
 - TD should perform a cost/benefit analysis of this issue before implementation.
- Exemption of CPL certification requirements Issue:
 - The exemption request has no basis.
 - Compliance is necessary to implement the goals of CHCF-B in order to ensure that only one telephone line per household is eligible for CHCF-B subsidy.
 - Resolution T-16018 provided ILECs a one-time exemption for all lines in service before August 1, 1997 and AT&T is aware of this requirement.

- There should not be any exemption for newly admitted CLECs or COLRs.

Verizon Opening and Reply Comments

In its comments, Verizon raises the following issues:

- COLR and CHCF-B Funding Issues:
 - Verizon believes that COLR standing depends upon the continued availability of UNE-P.
 - AT&T needs to promote the goals of universal service to all customer segments through out the COLR service area.
 - The Federal Communications Commission and the Solicitor General will not appeal to the United States Supreme Court the decision that vacated the Triennial Review Order.
- Verizon requests the Commission to develop a record to determine the Guiding Principle to limit CHCF-B funding in Verizon's service territories. At this time, the adoption of this principle from D.02-02-047 applies only to SBC.
- Verizon expressed the same cost/benefit concerns as SBC relating to the implementation of the database to identify duplicative CHCF-B claims.

We have reviewed all parties' opening and reply comments. Except as modified herein, we reject all other points raised by the parties in their comments.

FINDINGS

1. AT&T Communications of California, Inc (AT&T) filed Advice Letter (AL) 2913 seeking a Carrier of Last Resort (COLR) status in Verizon California's (Verizon's) Service Territory pursuant to Decision (D.) 96-10-066 and authority to obtain subsidy reimbursements from the California High Cost Fund (CHCF) –B in Verizon's service territory.
2. AT&T offers tariffed stand-alone single party residential local exchange service via the Unbundled Network Elements – Platform (UNE-P). AT&T states that it recommenced its offering of the local residential services in SBC's service territory on August 11, 2002 and in Verizon's service territory on December 9, 2003.
3. AT&T plans to discontinue marketing for new customers in the residential market in California. However, it states that it will continue to support its existing UNE-P based customers.

4. AT&T states that if UNE-P is unavailable, it will file an application to withdraw as a COLR as required by D. 96-10-066, Appendix B, Rule 6.D.7
5. UNE-P- based local exchange service is an acceptable arrangement for providing basic local exchange service.
6. AT&T has satisfied the goal of promoting universal service to all customer segments throughout Verizon's service territory and has satisfied the requirements of being designated a COLR pursuant to Decision (D.) 96-10-066, Appendix B, Rule 4. AT&T should be granted COLR status in Verizon's service territory.
7. CLECs, such as AT&T, will need the CHCF-B subsidy support for universal service to be competitive in Verizon's service areas.
8. AT&T should be allowed to file CHCF-B claims in Verizon's service territory and the subsidy calculations shall be consistent with the applicable provisions in D.96-10-066.
9. According to D. 02-02-047, the CHCF-B monthly claims for CLEC's in SBC's service territory may not change the level of funding necessary to support universal service.
10. The same guiding principle for the level of CHCF-B funding shall be applicable in Verizon's service territories under the UNE-P structure.
11. AT&T filed AL 2919 seeking an exemption from the CPL certification requirements for non-Universal Lifeline Telephone Service (ULTS) customers who signed up for consumer local service prior to June 14, 2004.
12. AT&T states that the company stopped soliciting for new local exchange service customers after July 28, 1998. Prior to that date, AT&T offered local exchange service in SBC and Verizon's service territories as a reseller.
13. Resolution T-16018 requires that carriers should obtain a CPL certification from all eligible customers before the carriers can file for CHCH-B subsidy for these customers.
14. AT&T requested and received from the Commission's Executive Director, an indefinite extension of time effective July 28, 1998, to implement the CPL certification requirements as enumerated in Resolution T-16018. A condition for the indefinite extension was that, upon re-entering the California residential local exchange market, AT&T would fully comply with the CPL certification requirements of Resolution T-16018.
15. AT&T accepted the terms under which it was granted the indefinite extension.

16. A CPL certification is required from all new non-ULTS customers who signed up for service with AT&T after it re-entered the local exchange market in California on August 11, 2002.
17. Upon re-entering the consumer local exchange service market, AT&T did not obtain the CPL customer certification from new customers as required by Resolution T-16018.
18. AT&T seeks permission to send a letter informing new customers that their telephone line is a CPL unless the customer designates otherwise in lieu of the procedures established by Resolution T-16018.
19. The alternative form of customer notification does not conform to the CPL certification requirements of Resolution T-16018. AT&T's proposed alternative form of notification should be denied.
20. AT&T is not in compliance with the CPL certification requirements listed in Resolution T-16018. The period of non-compliance is from August 11, 2002 through June 14, 2004 for SBC and from December 9, 2003 through June 14, 2004 for Verizon's service territories.
21. Any primary non-ULTS lines claimed for subsidy from the CHCF-B should be disallowed if AT&T does not have CPL certification.
22. AT&T should not be permitted to refile for previously disallowed claims for non-compliance of CPL certification.
23. A database with customer information in overlapping service territories should be developed by TD to identify and track duplicate customers for CHCF-B claims.
24. Carriers generally do not have access to other companies' customer information because of privacy/confidentiality and competitive reasons. To maintain confidentiality, TD should be responsible for reviewing and identifying potential duplicate claims.
25. CHCF-B claimants should provide, if necessary, data to the TD in order to populate and update the customer database.
26. AT&T and its subsidiaries should be current in their CHCF-B surcharge remittance obligations before payments from the CHCF-B program are initiated.
27. AT&T, SBC and Verizon filed opening and reply comments.

28. TD addressed certain comments filed by carriers in this resolution. Those comments not addressed in this resolution are denied.
29. TD's recommendations as stated in this Resolution are reasonable and should be adopted.

THEREFORE, IT IS ORDERED that:

1. AT&T's request for Carrier of Last Resort (COLR) status in Verizon California's (Verizon's) service territory is granted.
2. AT&T's request for authority to file claims for subsidy from the California High Cost Fund –B (CHCF-B) in Verizon's service territory is granted with the subsidy calculations based in accordance with the applicable provisions in Decision 96-10-066.
3. AT&T's request for exemption from the Customer Primary Line (CPL) certification obligations of Resolution T-16018 is denied.
4. AT&T shall not file for claims for non-ULTS lines if the company has not obtained CPL certifications from its customers.
5. AT&T shall not refile for previously disallowed claims for non-compliance of CPL certification.
6. AT&T and its subsidiaries shall be current in their CHCF-B surcharge remittance obligations before receiving payments from the CHCF-B program.
7. TD shall utilize the data, to the extent possible, currently provided by the carriers to set up and maintain a database to identify and track duplicate CHCF-B claims in overlapping territories. If additional information is necessary for the database, carriers shall provide such information in a timely manner.
8. TD shall take all appropriate actions to ensure that no payments are made for duplicative CHCF-B claims.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 28, 2004. The following Commissioners approved it:

STEVE LARSON
Executive Director